AMENDED IN ASSEMBLY APRIL 29, 2003

CALIFORNIA LEGISLATURE—2003-04 REGULAR SESSION

ASSEMBLY BILL

No. 1187

Introduced by Assembly Member Leno

February 21, 2003

An act to add Article 10 (commencing with Section 33492.150) to Chapter 4.5 of Part 1 of Division 24 of the Health and Safety Code, relating to redevelopment.

LEGISLATIVE COUNSEL'S DIGEST

AB 1187, as amended, Leno. Redevelopment: Hunters Point Shipyard.

(1) Existing law, known as the Community Redevelopment Law, authorizes the establishment of a redevelopment project area located within the boundaries of a military base that has been closed pursuant to the actions of the federal Defense Base Closure and Realignment Commission.

This bill would add to the Community Redevelopment Law provisions authorizing, *subject to a resolution of the local legislative body of the City and County of San Francisco concurring in*, the establishment of a redevelopment project for the territory occupied by the Hunters Point Shipyard and authorize the establishment of the Hunters Point Shipyard Development Authority (HUPSDA). The bill would require the San Francisco Redevelopment Authority to cooperate with the HUPSDA to facilitate transfer to the HUPSDA of the role of redevelopment agency and trust administration administrator for the Hunters Point Shipyard, thereby creating a

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state-mandated local program. The bill would specify the purposes and the general location of the authorized project area.

(2) The Hunters Point Shipyard Conversion Act of 2002 grants toand vests in the San Francisco Redevelopment Agency all of the state's right, title, and interest in the Hunters Point trust lands and other lands.

This bill would transfer the state's right, title, and interest in these lands to the HUPSDA.

- This bill would declare that, due to the unique circumstances pertaining to the closure of the Hunters Point Shipyard, a general statute within the meaning of specified provisions of the California Constitution cannot be made applicable and a special statute is necessary.
- (4) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes no. State-mandated local program: yes no.

The people of the State of California do enact as follows:

SECTION 1. Article 10 (commencing with Section 33492.150) is added to Chapter 4.5 of Part 1 of Division 24 of the 3 Health and Safety Code, to read: 4

Article 10. Hunters Point Shipyard Development Authority

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33492.150 This act shall be known, and may be cited, as the Hunters Point Shipyard Development Authority Act of 2003.

33492.151. This act governs the establishment of the Hunters Point Shipyard Development Authority (HUPSDA) and provides 10

for the appointment of the HUPSDA board and the authority,

powers, and duties of the board. This act transfers the state's

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sovereign interest in the Hunters Point trust lands from the San Francisco Redevelopment Agency to the authority and establishes the authority as the trust administrator for those lands.

33492.152. The Legislature finds and declares all of the following:

- (a) It is the intent of the Legislature with the enactment of this act to provide a means for mitigating the serious economic and environmental effects of the closure of the Hunters Point Shipyard on the City and County of San Francisco, its surrounding communities, and the State of California by vesting a single purpose entity with redevelopment authority over the Hunters Point Shipyard and, with respect to the portion of the Hunters Point Shipyard subject to the public trust for navigations, commerce and fisheries, the power to administer the trust that trust.
- (b) In 1939, the United States began acquiring lands for purposes of constructing and operating what came to be known as the Hunters Point Shipyard. The Hunters Point Shipyard was a major center of employment for the Bayview-Hunters Point community of the City and County of San Francisco, providing logistics support, and construction, maintenance, and repairs of ships for United States Naval operations. At its peak, the shipyard employed 17,000 civilian and military personnel, many of whom lived in the neighborhood.
- (c) Beginning in 1951, reductions in Naval activities at the Hunters Point Shipyard resulted in a diminishment of economic opportunities for the Bayview Hunters Point community. The Hunters Point Shipyard was closed in 1974, but continued to be used for ship docking and repair activities. Portions were also leased to several small businesses, artisans, and others. In 1989, due to environmental contamination on the base, the Environmental Protection Agency placed the shipyard on the National Priorities List of "Superfund" cleanup sites. The Hunters Point Shipyard was formally designated by the Navy for closure and potential reuse by the community pursuant to the Defense Base Closure and Realignment Act of 1990 (P.L. 101-510) and subsequent amendments thereto.
- (d) Closure of the shipyard had *and continues to have* profound negative impacts on the economic base of the Bayview-Hunters Point community of the City and County of San Francisco, contributing to an unemployment rate that has remained

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1 significantly higher than the citywide rate. The Bayview-Hunters 2 Point neighborhood has also been continues to be 3 disproportionately impacted by environmental conditions at the 4 Hunters Point Shipyard and other heavy industrial uses in the area.

- (e) In 1997, the San Francisco Redevelopment Agency and the City and County of San Francisco adopted a redevelopment plan to provide for the economic development and revitalization of the Hunters Point Shipyard. This act makes the authority responsible for administering that redevelopment plan.
- (f) The Hunters Point Shipyard and adjacent areas include lands that were historically tide and submerged lands subject to the public trust, as well as historic uplands that were not subject to the trust. Beginning in 1861, some of the tide and submerged lands were granted to private owners under various state statutes. Portions of those lands were subsequently filled and reclaimed. Tide and submerged lands that were not filled, as well as certain portions of the filled lands, remained subject to the public trust.
- (g) All former and existing tide and submerged lands within the redevelopment area over which the public trust has not been terminated are subject to the public trust upon their conveyance from federal ownership. In anticipation of the transfer of the shipyard to the San Francisco Redevelopment Agency, the Legislature enacted the Hunters Point Shipyard Conversion Act of 2002, Chapter 464 of the Statutes of 2002, which granted in trust to the San Francisco Redevelopment Agency the state's sovereign interest in certain lands within and adjacent to the shipyard and established the San Francisco Redevelopment Agency as the trust administrator for those lands. This act transfers all of the state's sovereign interest in those trust lands from the San Francisco Redevelopment Agency to the authority and establishes the authority as the trust administrator for those lands.
- (h) The Navy has the authority under federal law to convey the Hunters Point Shipyard to the city, the San Francisco Redevelopment Agency, or, subsequent to the enactment of this act, to the authority, as the local reuse authority for the Hunters Point Shipyard.
- (i) By providing that 50 percent of the Hunters Point Shipyard Development Authority board shall be selected from a list provided by the district supervisor for the Bayview-Hunters Point community, this act will afford the community most negatively

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- affected by the closure of the Hunters Point Shipyard more
- 2 significant decisionmaking opportunities regarding
- redevelopment of the Hunters Point Shipyard than are generally
- provided to general purpose redevelopment agencies under the
- 5 Community Redevelopment Law (Part 1 (commencing with
- Section 33000) of Division 24 of the Health and Safety Code). In doing so, this act will further the principles of environmental
- justice and facilitate the conversion of the Hunters Point Shipyard
- to productive civilian reuse. This act advances the purposes of the
- 10 Community Redevelopment Law and the public trust, and is in the 11 best interests of the people of this state.
 - 33492.153. The following definitions apply for purposes of this article:
 - (a) "At large appointees" means the members who are eligible at large candidates appointed by the mayor pursuant to subparagraph (D) of paragraph (1) of subdivision (b) of Section 33492.154.
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- 19 (a) "Authority" means the Point Shipyard Hunters 20 Development Authority.
- 22 (b) "Board of Supervisors" means the Board of Supervisors of 23 the City and County of San Francisco.

 - (c) "Bonds" includes, without limitation, lease revenue bonds and other bonds, lease financing arrangements, and certificates of participation.
 - (e)
- 29 (d) "Charter" means the Charter of the City and County of San Francisco adopted on November 7, 1995, and effective as of July 31 1, 1996, and as it may be amended from time to time.
- 33 (e) "City" means the City and County of San Francisco.
- (f) "Community appointee" means a member who is an eligible 34 community candidate appointed by the mayor pursuant to 35 subparagraph (d) of paragraph (1) of subdivision (b) of Section 36 37 33492.154.
- (g) "Conversion act" means the Hunters Point Shipyard 38 Conversion Act of 2002, Chapter 464 of the Statutes of 2002, and as it may be amended from time to time.

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(h) "Department appointee" means a member automatically appointed to the HUPSDA board by virtue of his or her position within the city or the San Francisco Redevelopment Agency pursuant to subparagraphs (A) to (C), inclusive, of paragraph (1) of subdivision (b) of Section 33492.154.

(h)

(i) "District elections" means elections of members of the board of supervisors by district as set forth in Section 13.110 of the Charter of the City and County of San Francisco.

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(j) "District 10" means the tenth supervisorial district as described in the charter, and as it may be reconfigured from time to time.

(j)

- (k) "District 10 supervisor" means the member of the board of supervisors elected by the District 10 electorate pursuant to the charter.
- (k) "Eligible at large candidate" means a person who has expertise in real estate development and finance, urban planning and design, affordable housing, arts, culture and education, hazardous materials remediation, or other areas of expertise relevant to the redevelopment of the Hunters Point Shipyard.
- (1) "Eligible at large candidates list" means a list of not less than six eligible at large candidates submitted to the mayor by the District 10 supervisor, or if district elections cease, then a list of not less than six eligible at large candidates submitted to the mayor by the board of supervisors from which the mayor may appoint the at large appointee members of the HUPSDA board. The eligible at large candidates list shall be updated by the District 10 supervisor, or if district elections cease, then by the board of supervisors to fill any vacancy of an at large appointee on the HUPSDA board, as set forth in paragraph (3) of subdivision (b) of Section 33492.154.
- (m) "Ex officio appointees" means the members automatically appointed to the HUPSDA board by virtue of their positions within the city or the San Francisco Redevelopment Agency pursuant to subparagraphs (A) to (C), inclusive, of paragraph (1) of subdivision (b) of Section 33492.154.
- (n) "Full board" means the HUPSDA board comprised of three ex officio appointees and three at large appointees.

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(l) "Eligible community candidate" means a person who either resides in or has a demonstrable track record of providing community-based service to the Bayview Hunters Point community of San Francisco and has expertise in environmental justice, real estate development and finance, urban planning and design, affordable housing, arts, culture and education, hazardous materials remediation, the public trust, sustainable or 'green' development, or other areas of expertise relevant to the Bayview Hunters Point community or redevelopment of Hunters Point Shipyard.

- (m) "Eligible community candidates list" means a list of not less than six eligible community candidates submitted to the mayor by the District 10 supervisor, or, if District 10 is consolidated or reconfigured, by the supervisor within whose district lies the Hunters Point Naval Shipyard (the 'corresponding supervisor'), or if district elections cease, by the board of supervisors. The mayor shall appoint the community appointee members of the HUPSDA board from that list. The eligible community candidates list shall be updated by the District 10 supervisor, corresponding supervisor, or the board of supervisors, as the case may warrant, when it is necessary to fill a community appointee vacancy on the HUPSDA board, as set forth in paragraph (3) of subdivision (b) of Section 33492.154.
- (n) "Full board" means the HUPSDA board comprised of three department appointees and three community appointees.
- (o) "Hunters Point Shipyard" or "shipyard" means all that real property situated in the City and County of San Francisco, State of California, and depicted on that certain Record of Survey entitled "Hunters Point Shipyard," filed October 3, 2000, in Book Z of Maps at Pages 135-147, inclusive, Official Records of that county, and more particularly described in subdivision (h) of Section 2 of the conversion act.
- (p) "Hunters Point submerged lands" means all that real property situated in the City and County of San Francisco, State of California and depicted on that certain Record of Survey entitled "Hunters Point Shipyard," filed October 3, 2000, in Book Z of Maps at Pages 135-147, inclusive, Official Records of that county, and on that certain United States Army Corps of Engineers map entitled "San Francisco Bay, California, Harbor Lines, San Francisco," Drawing Number 1-4-19, Sheet 8 of 8, dated February

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1 13, 1948, on file at the Port of San Francisco, Department of Engineering, San Francisco, and more particularly described in subdivision (i) of Section 2 of the conversion act.

- (q) "Hunters Point trust lands" means Hunters Point trust lands as defined in subdivision (g) of Section 2 of the conversion act.
 - (r) "HUPSDA board" means the authority's governing board.
- (s) "Mayor" means the Mayor of the City and County of San Francisco.
 - (t) "Member" means a member of the HUPSDA board.
 - (u) "Navy" means the United States Navy.
- (v) "Public trust" or "trust" means the public trust for commerce, navigation, and fisheries.
- (w) "Redevelopment area" means the project area as described in the redevelopment plan, consisting of the Hunters Point Shipyard and the Hunters Point submerged lands.
- (x) "Redevelopment plan" means the Hunters Point Shipyard Redevelopment Plan adopted by the San Francisco Redevelopment Agency in July of 1997, pursuant to Chapter 4.5 (commencing with Section 33492) of Part 1 of Division 24 of the Health and Safety Code.
- (y) "San Francisco Redevelopment Agency" means the redevelopment agency established by the City and County of San Francisco on August 10, 1948, pursuant to this part.
- (z) "Submission period" means the effective date of the act adding this section, and thereafter, the 30 90-day period after either a revocation of an appointment of an at large community appointee to the HUPSDA board by the board of supervisors pursuant to paragraph (3) of subdivision (b) of Section 33492.154, or the receipt of a written notice of vacancy of an at large community appointee on the HUPSDA board.
- 33492.154. (a) Notwithstanding Article 1 (commencing with Section 33100) of Chapter 2, and subject to a resolution of the local legislative body of the City and County of San Francisco concurring with the following, the Legislature hereby establishes a public body, corporate and politic, known as the "Hunters Point Shipyard Development Authority" and designates the authority as the redevelopment agency for the purpose of acquiring, using, operating, maintaining, converting, and redeveloping the Hunters Point Shipyard, with all of the rights, powers, privileges,

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immunities, authorities, and duties granted to a redevelopment agency pursuant to this part, as modified by Chapter 4.5 (commencing with Section 33492), and other applicable state laws 4 governing redevelopment agencies, except as specifically set forth in this act.

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- (b) Notwithstanding Article 2 (commencing with Section 33110) of Chapter 2 all of the following apply:
- (1) The HUPSDA board shall be composed of six members as follows:
- (A) The director of the San Francisco Redevelopment Agency, or the director's designee from the agency.
 - (B) The director of the _____, or the director's designee from the
 - (C) The director of the _____, or the director's designee from the
- (D) Three members appointed by the mayor from the eligible at large candidates list, if the list is delivered by the submission period, otherwise, three members who are eligible at large candidates appointed by the mayor. The mayor shall appoint all three required at large appointees as one group at the same time, except in the case of an appointment filling a vacancy of less than all three at large appointees caused by the death, resignation, or removal for cause of an at large appointee.
- (2) If a department from which an ex officio appointee is or the director's designee from the Redevelopment Agency.
- (B) The director of the City and County of San Francisco's Department of Public Health, or the director's designee from the Department of Public Health.
- (C) The director of the City and County of San Francisco's Office of Economic Development, or the director's designee from the Office of Economic Development.
- (D) Three members appointed by the mayor from the eligible community candidates list within 30 days of the mayor's receipt of an eligible community candidates list, if the list is delivered by the submission period, otherwise, three members who are eligible community candidates appointed by the mayor. The mayor shall appoint all three required community appointees as one group at the same time except in the case of an appointment filling a vacancy of less than all three community appointees caused by the

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death, resignation, or removal for cause of a community appointee.

- (2) If a department from which a department appointee is required to be selected ceases to exist, the director or the designee of the director of the following departments in the following order shall fill the vacant position from the former department:
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- (i) City and County of San Francisco's Department of the 10 Environment.
 - (ii) City and County of San Francisco's Department of Public Works.
 - (3) The District 10 supervisor, or if district elections cease to exist, the board of supervisors, shall provide the eligible at large community candidates list to the mayor no later than the submission period, after first submitting a proposed eligible candidates list to the Hunters Point Shipyard Citizens Advisory Committee for review and comment. If the District 10 supervisor, or if district elections cease to exist, the board of supervisors, fails to provide to the mayor the eligible at large community candidates list within the applicable submission period, then the mayor shall appoint the at large community appointee necessary to fill the applicable vacancy within 30 days after the expiration of the applicable submission period.
 - (4) A member who is an at large a community appointee shall serve a term of four years. A member who is an ex officio a department appointee shall serve as long as he or she fills one of the position described in subparagraphs (A) to (C), inclusive, of paragraph (1) of subdivision (b), and shall, as a matter of law, be replaced as an ex officio a department appointee of the HUPSDA board on the date he or she no longer holds that position by the individual succeeding him or her in that position. A vacancy occurring during a term shall be filled for the unexpired term. A member shall hold office until the successor has been appointed and the period of time within which the board of supervisors may revoke the successor's appointment expires without revocation of the appointment in accordance with subparagraph (5).
 - (5) The appointment of a member to the HUPSDA board shall be effective immediately upon appointment. The appointment of an at large a community appointee is subject to revocation by a

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two-thirds vote of the board of supervisors within 30 days after the delivery to the board of supervisors of written notice of the appointment of the at large community appointee. When the mayor appoints all three required at large community appointees as one group at the same time, the revocation may apply only to all three appointees, and not to an individual appointee. Upon revocation of an at large a community appointee's membership, the mayor shall appoint a replacement member within 30 days after the revocation, in accordance with the appointment and revocation procedures of this section.

- (6) If at any time after the effective date of this act the HUPSDA board does not have a full board for a period of 120 consecutive days, then within 15 days after the expiration of that 120-day period, the current members of the HUPSDA board shall hold a public hearing to discuss why there is no full board. If at any time after the effective date of this act the HUPSDA board does not have a full board for a period of 180 320 consecutive days, then within 45 days after the expiration of the 180-day 320-day period, the authority shall dissolve, and all assets, rights, liabilities, and obligations of the authority, including, without limitation, obligations under bonds, if any, shall transfer to the San Francisco Redevelopment Agency, as provided in subdivision (b) of Section 33492.156. Nothing in this act shall modify or limit the rights of the local legislative body for the City and County of San Francisco to exercise its rights under the Community Redevelopment Law (commencing with Section 33200) to, following certain steps set forth therein, declare itself to be the governing body of the authority.
- (7) Notwithstanding any state or local law, including, without limitation, Section 33111, the HUPSDA board may include individuals who are officers or employees of the city or of the San Francisco Redevelopment Agency and those individuals are not precluded, solely by virtue of their status as officers or employees of the city or the San Francisco Redevelopment Agency, from participating in decisions as members of the HUPSDA board.
- (8) Notwithstanding Section 1090 of the Government Code, officers and employees of the city or the San Francisco Redevelopment Agency are not precluded, solely by virtue of their services as members of the HUPSDA board, from participating in

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any decisions in their capacities as officers or employees of the city or the San Francisco Redevelopment Agency.

- (9) The members of the Hunters Point Shipyard Citizens Advisory Committee, who function like a Project Area Committee under the Community Redevelopment Law, except that they are purely advisory and do not have decisionmaking authority, may not be deemed to have a financial interest under Section 1090 or any other provision of the Government Code when providing advice to the eity authority, city, or the San Francisco Redevelopment Agency on the redevelopment of the Hunters Point Shipyard, notwithstanding that members of the Hunters Point Shipyard Citizens Advisory Committee represent the interests of artists, tenants, business owners, organizations, and other persons with financial interests in the development of the redevelopment area. Except as specifically set forth in this section, the authority shall comply with all applicable conflict of interest laws.
- (10) Notwithstanding subdivision (a) of Section 33333.2 the time limits set forth therein are hereby deemed to run from the effective date of this act, notwithstanding anything to the contrary in the redevelopment plan.

33492.155. All of the state's right, title, and interest acquired by virtue of its sovereignty, in the Hunters Point trust lands and the Hunters Point submerged lands, granted to the San Francisco Redevelopment Agency pursuant to the conversion act, is transferred and granted to the authority. To the extent that the San Francisco Redevelopment Agency has not yet acquired rights in the Hunters Point submerged lands pursuant to Section 4 of the conversion act, these rights shall be granted to the authority upon the conveyance by the federal government to the authority of any piers or other appurtenances located in part on the Hunters Point submerged lands. The authority shall hold the Hunters Point trust lands and the Hunters Point submerged lands subject to the public trust, the requirements of the conversion act, and the requirements of this act. All of the requirements of the conversion act otherwise applicable to the San Francisco Redevelopment Agency shall be applicable to the authority. As long as the authority exists, it shall assume all of the rights and obligations of the San Francisco Redevelopment Agency as trust administrator for the Hunters Point trust lands as set forth in the conversion act and in this act.

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33492.156. (a) Upon the effective date of the act, adding this section, the authority is hereby vested with the responsibility for carrying out the redevelopment plan. The San Francisco Redevelopment Agency shall fully cooperate with the authority to facilitate the transfer to the authority of the role of redevelopment agency and trust administrator for the Hunters Point Shipyard. Among other things, upon that date, the San Francisco Redevelopment Agency shall do both of the following:

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- (1) Transfer to the authority fee title to all portions of the 10 Hunters Point Shipyard owned by the San Francisco Redevelopment Agency.
 - (2) Assign to the authority, and the authority shall assume from the San Francisco Redevelopment Agency, all agreements lawfully entered into by the San Francisco Redevelopment Agency directly related to the redevelopment of the Hunters Point Shipyard, including without limitation, any conveyance agreements, leases, licenses, or utility agreements with the Navy, and all exclusive negotiating agreements, conveyance agreements, disposition and development agreements, and other agreements transferring title to or otherwise conferring the right to use or occupy, or the right to conduct operations upon or within the Hunters Point Shipyard.
 - (b) If the authority is dissolved, by operation of law, or otherwise, then effective immediately upon the effective date of the dissolution of the authority, all assets, rights, liabilities and obligations of the authority, including, without limitation, obligations under bonds, if any, shall transfer to the San Francisco Redevelopment Agency.
 - (c) The authority shall be deemed the local reuse authority for the Hunters Point Shipyard.
 - (d) The authority shall comply with applicable environmental justice laws, rules, and regulations.
 - SEC. 2. The Legislature finds and declares that, because of the unique circumstances applicable only to the trust lands described in this act, relating to the transfer of the Hunters Point Shipyard out of federal ownership, a statute of general applicability cannot be enacted within the meaning of subdivision (b) of Section 16 of Article IV of the California Constitution. Therefore, this special statute is necessary.

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SEC. 3. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars (\$1,000,000), reimbursement shall be made from the State Mandates Claims Fund.